

## SPURIOUS MONEY

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If, as most of our professors of political economy assert, wages are chasing prices, then the logical question is, what is causing prices to run? To assert, as they do, that limitation of wages and prices is the solution, is like putting the cart before the horse. There can only be one reason for prices running away and that is the amount of paper money in circulation has been much increased over and above that required to facilitate the exchange of the products of labour and capital. There is only one answer to inflation and that is to cease using paper money - there was none of it before 1914 except the £5 Bank of England note and that was backed by gold. We must return to a currency which cannot readily be debased and is comparable in intrinsic exchange value with that of all other wealth in the process of exchange. It seems a popular belief among many of our so-called economists that there would not be enough gold or silver to deal with modern massive production. The answer is simple: a gold sovereign would buy more today than it did 60 years ago, its related exchange value will always remain constant. So long as our money is made from rags and wood pulp we cannot expect other than a continuing debasement of its purchasing power by our power-seeking political overlords.

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